DIGITALK

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Digital in Sydney to Hobart

Digital will provide the Race Result System for this year's Sydney to Hobart Race Series, one of the world's premier yachting events. The system will monitor positions and final placings as the more than 150 yachts compete in the 1300-km ocean spectacle.

Members of David Mawson's SNH-based Computer Management Group (CMG) will man the system night and day throughout the Christmas period, with links to Sydney's Cruising Yacht Club, the Royal Yacht Club of Tasmania and at the Race's finish line, Hobart's Constitution Dock.

Prime movers behind Digital's participation include David and Ray Morcos of the CMG, plus Sales' Chris Sligar, Marketing's Lee Cameron and Regional Sales & Marketing Manager, Ron Bunker. ■

With best wishes
for a peaceful
holiday season and a
joyous New Year.

Ken Olsen

President

50th ISSUE

Overview: Rustom Kanga

"Rustom, we've all heard the term 'Systems Integration' — but what exactly do the words mean?

I define 'Systems Integration' as providing the customer with a solution to a business problem, at a fixed price and fully guaranteed.

That answer begs another definition: what does 'a solution to a business problem' mean in lay person's language?

To begin with, I'm talking about understanding the customer's real problem. For instance, his or her receivables may be too high, or they may want to get more consistent quality into their production line.

Whatever the problem, the use of computers or other technology is incidental in arriving at the solution. In some cases, the solution may involve no computers at all!

But we're a computer company. Why are we involved with Systems Integration?

Digital is very much a service company now and we're focused on Systems Integration because customers want us to.

Why? Well, even though computers themselves are becoming smaller and easier to use, technology and business problems are getting more complex. Today's organisations have to do more than build systems to a spec — they have to build flexible systems that empower their first-line employees.

Building a large and continuously changing network of distributed computers, for example, can be a very difficult task for an organisation that's not expert in that field. For us it's a piece of cake. We take on projects which would be high risk for the customer, but which is low risk for us because of our specific expertise, experience and track record.

Does the EIS organisation have skills in every industry and every technology?

No, we specialise in a small number of industries, applications and technologies. The industries include Finance, Process Manufacturing, Distribution and Government, and we tend to focus primarily on mission-critical applications.

Our technology spectrum is slightly wider. In these areas, we would bring to bear a lot of in-house skills.

Aside from these areas, we rely heavily on co-operative marketing partners for the skills and products we need to integrate the necessary solutions.

That means we integrate third-party products and services into our solutions?

That's right. We solve the business problem, and to do that might require computers and services from, say, our co-operative marketing partners — or even from our competitors.

In March last year, Digital SPR was restructured to sharpen our focus on selling, implementing and servicing solutions.

A major component of that restructuring was the formation of Enterprise Integration Services — EIS — in a move that amalgamated Professional Software Services, EIC (*nee CSS*), Sales Support and Edu Services.

Rustom Kanga, Regional EIS Manager, talks about the 400-strong group and its role in designing, supporting and implementing solutions to customers.

Have we done any big SI jobs in Australia or New Zealand?

We're currently running around 200 projects — some large, some small. These include the automation of abattoirs for one of Australasia's largest meat processors and exporters, a voice recognition project for a major Australian bank, and the implementation of a grants system for New Zealand educators.

We have over 400 professionals in the group. We handle a wide range of activities such as business analysis, software and custom-hardware development, and education. We're even happy to facilities manage the entire system once it's operational.

Perhaps the most important thing we do, though, is we provide the project management.

Speaking of project management, what makes project managers from our Company different from those of other vendors like IBM or Fujitsu?

First of all, we standardise on the Digital Program Management Methodology — or DPM — and we train all our project managers to use it. That lets us manage global projects with sub-projects in different locations.

Secondly, we've accumulated many years of experience in running projects, experience that allows us to reduce our risk which of course allows us to complete projects at a lower price than our competition.

Thirdly, and perhaps most importantly, we're very focused. We will not take on projects in just any industry, or with any application. We understand what we're good at and we operate in those areas. That ensures that when we do take on a project, we can be confident of doing a good job.

'Change Management' is a commonly used term in consulting circles. Is Digital involved in this?

Managing change is going to be the major problem of the Nineties for all organisations. And in solving a business problem, this is one of the most added-value services we can provide to our customers. We do it ourselves and we also do it through some of our partners.

If you look back, say, two years ago, our customers would have bought some hardware from us along with some applications software and a little technical consulting. Today, they insist that we help them with getting the technology accepted within the organisation.

What's the difference between 'Enterprise Integration' and 'Systems Integration'?

I use the terms interchangeably because unlike others in the industry, I don't restrict the term 'Systems Integration' to connecting a few computers and adding a bit of software.

We're really talking about integrating the information needs across the entire enterprise. Allowing senior managers to manage effectively, even while they empower their first-line people by distributing the computer power. Excellent companies in every industry are trying to do this.

The trend for the future is 'Cross-Enterprise Integration' with technologies such as Electronic Document Interchange. EDI is important because it lets suppliers and their customers integrate the information flows between them.

To summarise, can you say in a few words what the EIS team does?

That's easy. We do Systems Integration, and that simply means solving business problems for a fixed price and fully guaranteed. ■ "

CDROM: the Competitive Edge

QUESTION: What is it that:

- replaces 170' of bookshelf space?
- provides ease of storage for customers?
- stores ten — that's right, 10 — VMS operating systems?
- resolves compatibility issues?
- ensures tamper-resistant distribution?
- costs less to produce than traditional software?
- and saves freight cost and import duty for SPR?

The answer is CDROM (Compact Disc Read-Only Memory) — laser disk technology familiar to most of us in the form of compact discs containing music.

Digital has been employing CDROM technology since 1988, but is only now making up for lost time after a period of slow acceptance. In a recent European test pilot, CDROM greatly increased average licence penetration.

Closer to home, a CDROM display at the DECUS* Symposium in Canberra last August was inundated with over 150 customers and prospects. They offered valuable feedback about Digital's current CDROM product offerings and services, product quality and potential for improvements.

Manning that exhibit were members of our new Sydney-based Manufacturing Information Technology group, and Mark Forkey of the USA's CDROM task force. Ian Diwell, Manager of SPR's group, says one revelation to come from DECUS was that customers generally have poor product knowledge of CDROMs — particularly surprising because CDROMs have been available for several years. "Most customers didn't know what hardware was required to use CDROM," Ian says. "There was also confusion about what types of contracts are available.

"The general feeling is that customers are very excited about the product, and they want to introduce it into their own organisations."

All Our Products, All the Time

CDROM technology holds many benefits for Digital, including increased customer satisfaction, reduced manufacturing and logistic costs, and thereby increased revenue. Already, the Corporation itself manages the distribution of and access to software and documentation with CDROM.

CDROM is also central to our Corporate philosophy that the customer should have *all* of our software products available, *all* of the time.

All that's needed to run CDROM is a workstation or high-resolution terminal linked to a CD reader. Then, Digital's current CDROM products are available for use:

☐ **Condist** — 200 binaries, or software programs
☐ **Conold** — 80 documentation sets for the VMS operating system and VMS layered products
☐ and six Edu products.

CDROM up close.

Media for *Today*

Around the world, only about 4% of customers' software is presently run on CDROM and in SPR before DECUS, customers with their VMS binaries and documentation available on CDROM numbered only 30.

Since DECUS, however, there's been a considerable increase in CDROM sales. "It looks like we're going in the right direction," Ian says.

More proof of this can be found in Corporate plans to manufacture CDROMs instead of relying on external vendors as we do now. According to Ragnar Bulie, Project Manager for CDROM in SPR, production will initially be done in the US and Europe. "In-house production will enable us to offer not only our own products," he says, "but also customised solutions that integrate third-party products and even customers' own applications."

CDROM is the media of the future, and the paper-free environment seems a lot closer when you see row after row of shelving replaced by a single compact disc.

More importantly, CDROM offers a competitive edge — a consolidated solution for our software offerings, in a convenient and timely manner — that customers need wait for no longer. Digital has it now. ■

SELLING CDROM at DECUS (left to right): US-Digit Mark Forkey and SNA team Ian Diwell, Jeff Sunderland and Ragnar Bulie. Other SNAers, not pictured, are Christine Heath and Sergio Cantero.

A GET-TO-KNOW-SNO BBQ was held at Rhodes in October to help 700 employees meet one another and mingle. Great food and conversation more than made up for inclement weather, and a good time was had by all.

**Digital Equipment Computer Users Society.*

Q1 Operating Results

	September 29, 1990	September 30, 1989
Product Sales	$US1,865,558,000	$US1,994,408,000
Service & Other Revenues	1,227,812,000	1,136,782,000
Total Operating Revenues	3,093,370,000	3,131,190,000
Cost of Product Sales	878,015,000	882,130,000
Service Expenses	779,708,000	729,798,000
Total Cost of Sales	1,657,723,000	1,611,928,000
Research & Engineering Selling	401,952,000	404,131,000
General & Administrative	1,023,576,000	938,967,000
Net Interest (Income)/Expense	(24,783,000)	(22,235,000)
Income Before Income Taxes	34,902,000	198,399,000
Income Taxes	8,725,000	47,616,000
Net Income	26,177,000	150,783,000
Average Number of Shares Outstanding	123,774,888	125,768,130
Net Income Per Share	$ .21	$ 1.20

First Quarter Earnings

For the first quarter (which ended September 29, 1990) of FY91, Digital reported total operating revenues of $US3,093,370,000, compared with the $US3,131,190,000 of the comparable quarter a year ago.

Net income for the quarter was $US26,177,000, compared with last year's Q1 net income of $US150,783,000.

Quarterly earnings per share were $US.21, versus $US1.20 last year.

"Encouraged" — Jack Smith

"We're encouraged by some improvement in our US business in the quarter and the continued success of our world-wide systems integration efforts," said Jack Smith, Senior VP, Operations. "Our new VAX 9000 mainframe computer is shipping and our workstation business is accelerating.

"While the pace of business in Europe and other parts of the world has slowed, we continue to be encouraged by positive customer reaction to both existing and upcoming hardware, software and service products. Despite uncertain economic conditions, our world-wide services business grew 8% this quarter, maintaining a trend of many years.

"Although operating results for Q1 were not satisfactory, the Company is making progress in identifying and eliminating expense items not critical to its success. In addition, every function in the Company has established productivity programs designed to help us return to a more profitable status.

"Several months ago we announced that about 3000 persons had selected a voluntary financial support option during the fiscal year that ended in June. This contributed to a net reduction of 1800 people in our total workforce last year. We have initiated a voluntary financial support option to reduce the workforce size by 5000 more employees in this fiscal year.

"Other activities include consolidating our businesses to decrease our total facility requirements, reducing discretionary spending, increasing automation, using our own computer network to enhance productivity, and continuing to examine every aspect of our business to locate cost-cutting opportunities.

Our Focus

"Digital is focusing on mainframe-style computing, client/server computing and systems integration. One important area is our VAX 9000 computer system effort. To date more than 75 of these systems have been delivered, and we are currently quoting deliveries as far out as the end of Q3. We've been pleased by excellent acceptance across all major industries," Jack said.

During Q1 the Company repurchased 3.7 million shares of its stock for $US241 million, which completes the 5 million share stock repurchase program authorised in April by our Board of Directors.

In other industry fiscal news:

☐ **IBM** reported a 27% rise in its Q3 net, barely matching estimates. For the quarter, IBM said net income rose to $US1.11 billion from $US877 million a year ago. Revenue rose 6.8% to $US15.28 billion.

The performance wasn't quite as impressive as the numbers indicated, however, because last year's Q3 results were depressed significantly by a delay in shipment of a powerful new disk drive for mainframe computers. Plus, much of the earnings and revenue gains came because the weak US dollar increased the value of IBM's foreign results when they were translated back into dollars.

☐ **Texas Instruments,** stinging from slumping memory chip prices and an agressive capital spending plan, posted its first quarterly loss in more than four years. The loss was of $US7 million, compared with net income of $US65 million a year ago.

☐ **Microsoft's** earnings rose 77% in its Q1 (ended September 30), rising to $US87.6 million from the $US49.6 million a year earlier. Revenue rose 57% to $US369.4 million. These results were slightly better than most analysts expected, and were boosted by strong demand for Windows products.

☐ Earnings at **Lotus** tumbled 63% in its Q3, falling to $US8.6 million from $US22.9 million a year earlier. Sales rose 2.2% to $US157.4 million.

☐ **NCR Corp,** citing costs from its stock repurchase plan, reported a 3% decline in net income in its Q3; net was $US91 million, down from $US94 million in the year-ago period.

☐ **Intel**'s Q3 net income was $US172 million, up from $US72 million a year earlier. Revenue was a record $US1.01 billion, up 31%.

☐ **At Ashton-Tate**, a year-long decline was reversed as the company posted a Q3 quarter profit of $US1.1 million compared with a year-ago loss of $US19.4 million. AT said revenue rose 12% to $US60.4 million, and increased world-wide sales revenue from mature product lines prompted the turnaround. ■

Career Milestones

Here's 'Cheers!' and thanks for the memories to Digits celebrating service anniversaries with the Company next month.

Five-year Recipients

Peter Vella, TVO CS
Andrew Barnden, MEO EIS
Michael Porter, WPO CS
Paul Stewart, WGO CS
Michael Rosic, SNM EIS
Suzanne Richards, SNL SB
Kathy Pettifer, MEO Sales
John Brodribb, STL CS
Phyllis Sommerville, SNO Fac
Luke Barnier, SNL CS
Mark Bee, MEO CS

Ten-year Recipients

Jim Molloy, SNO Finance
David Cheung, MEO CS
Michelle Davies, SNO EIS

Fifteen-year Recipient

David Feeney, NLO CS

Circle of Excellence

Hawaii's luxurious Hyatt Regency Waikoloa hotel was the venue for the first-ever Circle of Excellence, a reward event for top achievers from Sales, Customer Service (CS) and EIS organisations throughout GIA.

SPR Digits who earned membership in this year's Circle of Excellence were:

SPR'S CIRCLE OF EXCELLENCE winners: (above) Sales and (at left) CS. Missing are EIS's contingent.

☐ ADO (Adelaide)
Grahame Richards (EIS)
Ian Huntley (CS)
Keith Gillard (Sales)

☐ BBO (Brisbane)
Andrew Broughton (EIS)
Mike Edmiston (Sales)

☐ CAO (Canberra)
Evan Williams (Sales)
John Blackley (Sales)
Fred McIntire (Sales)
John Beeston (Sales)
Laurence Wade (Sales)
Terry Bell (Sales)
Clive Manson (CS)
Leesa Bartlett (CS)
Dave Ford (CS)
Patrick O'Leary (CS)
Bruce Kay (EIS)
Jim Carew (EIS)
Thomas Bromberg (EIS)

☐ CCO (Christchurch)
Brent Martin (EIS)

☐ MEA (Exhibition Street)
Martin Kenny (Sales)

☐ MEO (Box Hill)
Nick Carapellotti (CS)
Mark Priebatsch (EIS)
Chris O'Reilly (EIS)
David Evans (EIS)
Richard Rydberg (EIS)
Steve Tolnai (EIS)
Peter Holmes (Sales)
Tony Combes (Sales)
Andrew Haussegger (Sales)
Tim Hede (Sales)
Heather Saunders (Sales)
Dick McFarlane (Sales)
Chris Nicolli (Sales)
Keith Parris (Sales)
Ralph Stadus (Sales)

☐ NLO (Newcastle)
Martin Wilson (Sales)
Peter Huish (EIS)

☐ NZO (Auckland)
Ron DeBoer (CS)
Ian Campbell (EIS)

☐ SNA (Sydney/Mowbray Road)
Laurie Wong (EIS)
John Broughton (EIS)

☐ SNH (Sydney/Pacific Highway)
Wolfgang Brunner (EIS)

☐ SNM (O'Connell Street)
Tony Gallagher (EIS)
Vince Cecere (Sales)
Mick Duncan (Sales)
Jennifer Milford (Sales)
Peter Lane (Sales)
Alan Taylor (EIS)

☐ SNO (Rhodes)
Steve Williamson (Sales)
Albert Cuschieri (Sales)
Roger Evans (Sales)
Michael Glynn (Sales)
John Bonouvrie (Sales)
Stan Williams (Sales)
Ian Ramsay (Sales)
Colin Kidd (Sales)
Mike Patroni (CS)
Patricia Lasbie (EIS)
Tony Gallagher (EIS)
Andrew McLaren (EIS)
Russell Norman (EIS)
Paul DeGroot (EIS)
Alec Coleman (EIS)
Ben Burke (EIS)

☐ STL (St Leonards)
Alan Turnbull (CS)
Jean Lewis (CS)
Sankar Srinivasan (CS)

☐ TVO (Townsville)
Peter Vella (CS)

☐ WEO (Wellington)
Chris Kelliher (Sales)
Sharon Osten (Sales)
Malcombe Rowe (Sales)

☐ WPO (Perth)
Frank Early (EIS)
Paul Fleming (EIS)
David Byers (CS)
Roger Jeffrey (CS) ■

Albert Does It Again!

SNO Sales Executive II Albert Cuschieri has done something that no-one in the whole of Digital's world-wide salesforce has ever done: won nine DECathlons.

On top of that, Albert now has 15 DEC 100 Sales awards to his credit — another amazing record.

Sales staff earn DEC 100 acclaim by achieving 100% of the targets set for them, while DECathlon is comprised of the best of DEC 100 winners.

Albert's peers paid tribute to his professionalism and legendary success in a host of ways at Circle of Excellence, ranging from special acknowledgements to one of the best suites in the Hyatt Regency Waikoloa.

Albert is also SPR's longest-serving Digit *(see story on page 10).*

On behalf of everyone, *Digitalk* would like to congratulate Albert on his remarkable record, and add that it couldn't have happened to a nicer bloke. ■

A Message from Jack Smith

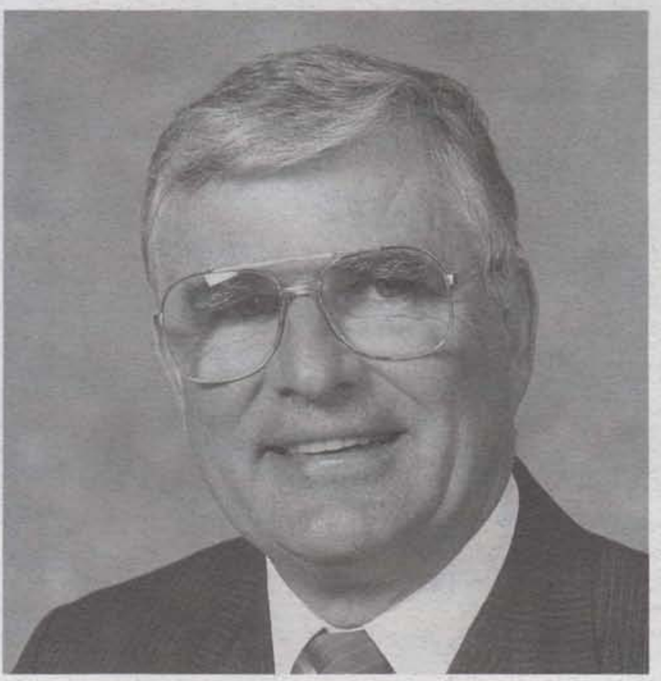
Jack Smith, Senior VP of Operations, discusses what Digital must do to return to profitability.

“What we must accomplish to regain our profit position is obvious. This is encouraging, because understanding the problem gets us well on the way to the solution.

Quite simply, we need to increase revenue, decrease cost and start charging for value-added services.

On the cost side, we shouldn't expect that we're going to suddenly grow revenue and then all of our cost-structure problems will go away magically. On the other hand, it would be a mistake to emphasise cost reduction to the exclusion of revenue generation. Our job isn't to stop spending and investing, but to spend and invest wisely.

Every area of cost must be examined for cost-reduction opportunities. There are, of course, the big ticket items: excess people, space, equipment, travel, etc. But if you run the projections, these items only get us half of what we require to get back on our profit track. The rest must come from the 'little stuff'. No cost-saving idea is too small. Every suggestion will be heard, analysed and acted upon.



It was suggested to me that I stop publicising 'the small stuff in bits and pieces', that it is being interpreted as reactive. 'Smith should be on the *big* stuff.' The advice was to get a master plan together and then we could reference everything we're doing to the master plan. Clear leadership, organisation, forward thinking and control of the total situation would be the resulting message.

I asked how long it would take to complete the master plan. With hard work and some luck, first of the year was the answer. I almost cried. We still haven't gotten the message out. World War II started and ended in three years and some months for the United States. Somehow, I find it hard to believe the folks in charge sat around waiting for the master plan. They got on with it instantly — nothing too small, nothing too big. They got on with it as they continued to develop the overall strategy and that is exactly what we must do at Digital.

Making the Most of Mistakes

The other advice I received was that if we move too fast, we could make mistakes. Well, in my view, there is one sure way never to make a mistake and that is to do nothing. But nothing gets you nothing.

You cannot make decisions expediently if you're afraid of making a mistake. You analyse the situation in the time you have. You

Q Is there a rallying point that we can talk about in terms of our mission as a company? What is the key business that we are in?

Some people say that the computer industry has matured. I don't think that's the case at all. In the areas of human interfaces, graphics and heterogeneous distributed processing, the industry still has a long way to go.

The future belongs to those companies that can provide their customer base with the most cost-effective products and/or services in real time. And computing is the answer to providing that real-time responsiveness to customer needs.

Where are these market trends taking us? The fastest way to get real-time response to customer needs is to distribute the computing. That's where the future lies, and that's what our mission has to be.

Fortunately, in many areas, we have made the right investments for this future. Networking makes the distributed computing environment happen, and networking is our number one strength as a company.

At the same time, in software development, with NAS we're opening up the computing environment to heterogeneous hardware and software. Open environments are here to stay. UNIX is here to stay, but it will only become pervasive when we have an industry standard, which is the Open Software Foundation. We're fully committed to OSF and have invested in it.

I believe we have already committed more technology than any other company involved. That may seem generous. On the other hand, if this technology is accepted in the public domain as a standard, that should give us an edge when it comes time to implement that standard.

In other words, the investments we've made in the past have positioned us well for what our customers are going to want and need to be competitive in the future.

As I look toward the future, our mission is quite clear. It's to provide a heterogeneous distributed environment. People are going to want to maintain their current investments, and someone is going to have to tie them together. They are also going to want computer suppliers who have world-wide capabilities.

There are very few computer companies that will be able to compete in that future environment. We're one of them.

Q It seems that the world outside Digital is expecting major restructuring plans as well as cost-reduction plans, but we still haven't addressed the issue of a low ratio of workers to managers, and the fact that potentially ineffective managers have remained in their positions for many years.

We have to restructure. A great deal of restructuring has already taken place mainly in the field operations as we have moved to the account concept, where we are giving more responsibility to account managers. This is intended to empower them to make the decisions they have to make on a day-by-day basis in order to generate the revenue that decide. Then you implement.

If you make a mistake, you turn it around and move on the next decision point.

I've read that half of the decisions made by the combined Allied Forces' general staff during WWII turned out to be wrong — but they won the war. They fixed the mistakes but they never, never let the errors slow down the decision process.

There isn't a place in our Company where we can't save. (We have people) working, full-time, helping managers develop and implement cost-saving actions.

I'm constantly being asked, 'Why is all of this cost reduction so hard? Why does it feel so bad? We must not be going about it right.'

Well, first of all, change is always hard, especially when it must be accomplished in a short period of time. We all tend to want to avoid it. It's especially hard for people to change what they've created.

When I was first married, I built, board by board, the most marvellous, better-than-average porch. Every board was bevelled and every nail counter-sunk, filled and sealed. It took twice as long — and maybe cost three times as much — but it was done right, obviously built to last forever.

Then the kids came along, one by one, and we required more room.

The obvious solution was to tear down the marvellous porch and construct more bedrooms. For months and months I drew up plans but couldn't get motivated to get moving on them.

Then one day I figured out why I was delaying: I couldn't tear down the porch. It was mine. I built it. I couldn't tear it down. It was time for change but change was too hard. So instead we moved to a larger house. We really couldn't afford it, but we moved.

A number of months passed and I decided, on my way through the area we had lived, to once more look at my marvellous porch. Well, my marvellous porch was gone! A foundation had been poured and an addition was being built.

It's time for Digital to change. It's time for a number of our 'porches' to come down.

A Company of Builders

I'd really like to make this the last communication I deliver on 'cutting things', but I don't think it will be. This kind of work is not fun. It is painfully hard work for all of us, and isn't something we have a lot of experience with.

We're a company much more accustomed to growing — adding new people, opening new facilities, creating new products and services, competing in new markets. We're a company of builders. This work is fun. This is the part of the business I want us to return to as quickly as possible. But first we must pass through this current painful stage to get back to the fun part of managing a business. There is no avoiding it and I, for one, want to get us there as quickly as possible.

So, yes, it's hard. Yes, it feels bad. But we're going to get it done.

We have a great company, the result of having great people. With their help, we can do it...and we can do it quickly, and get back to spending most of our time on winning.

Goodbye to the Monolith

On increasing revenue growth, corporate organisation is key. We must be organised to understand where the opportunities are and where we're getting our profit returns.

Continued next page. ▶

The Jack Smith Story

He was born John Francis Smith in March 1935, the second of five children, and received his associate's degree in electrical engineering from the Wentworth Institute of Technology in Boston.

Jack signed on with Digital in 1958 — a year after Ken Olsen set up shop — as the Company's 12th employee.

In those early days, he did just about everything. "Painting one day, silk-screening the next, testing the next day," he says. "You were free to do whatever you could do."

For four years, he commuted more than three hours each day from his home in South Boston, taking the train to Framingham and then hitch-hiking to the Mill in Maynard. He was making $US1.85 an hour, working his way through university at night, and unable to afford his own car.

Today, Jack is a veteran of our manufacturing operations, having set up the first computer assembly line back in the late 1950s. He worked under Peter Kaufmann until 1977, and later took control of engineering when Gordon Bell — master architect of the PDP-11 and VAX — departed in 1983.

In April this year, Jack assumed Jack Shields' old portfolio, including oversight of sales, service and international operations. He was already running manufacturing, engineering and product marketing.

To those who know him, Jack embodies a lot of the characteristics of Digital's culture — a strong concern for people, a strong sense of ethics and fair play, and always very much a Company person. ■

they committed to. Structural changes also have to take place in other areas.

We often use the word 'stovepipes' to refer to the tendency to communicate vertically in one area and not with others. There are Sales stovepipes, CS stovepipes, Engineering stovepipes, etc. Many of these stovepipes have been in place for years. When they were put in place, they made a lot of sense. The mistake we made was we didn't change over time.

Now we have to change and get those organisations to work together and be seen as one entity, not as three or four entities.

Q Regarding staff reductions, why not issue a challenge to every employee to see if they can look at a way to eliminate their own job?

We want to encourage people to take a look at the growth areas that are in the Company. If you feel that your area is not a growth area, then come forward and explore the opportunities in other areas of the Company.

Remember, we haven't stopped hiring. We haven't stopped investing. Rather, we want to invest wisely.

Q Will Digital in the future develop a plan to better manage the workforce and to prevent this kind of ramp up and ramp down (in employee population figures)?

I'm not going to take people through this again. There has to be better planning. Much of what has happened to us is internally driven. We could have managed this situation better. And we have to manage more effectively in the future.

The resolve is maybe more important than anything else. We must have the resolve to make sure that we take the necessary actions on an on-going basis so that we don't create a crisis like this in the future.

Q My perception is that people are afraid to give their names when they submit ideas. They are afraid of politics and managers with egos.

That's a sorry state of affairs. Managers, supervisors, group leaders, anybody responsible for people has the basic responsibility to take care of the people. You do that by listening to them. If you stop listening to them, they stop talking to you. And if they stop talking to you, you don't know what's going on.

If people are afraid to express what they think is in the best interest of the Company, if managers stop employees from communicating what they think is right —that is the death of the Company. If people are concerned about putting their name to a suggestion, whether written or a phone call, our Open Door Policy isn't working.

Yes, we're in unusual times, and we're asking for people to do unusual things. But we cannot be successful as long as people are concerned about what they have to say and who they have to say it to. We're going to fix that. ■

How Are We Doing?

Highlights from Jack Smith's comments from the "Digital Quarterly Report" telecast over the US's Digital Video Network last month.

To get our profitability back on track, Jack says, Digital is focusing on both 'big stuff' and 'small stuff' in cost reduction.

The 'big stuff' consists of such items as population reduction, relocation and travel. The 'small stuff' is the thousands of small items that we also have to address if we are going to be successful in our overall program of cost reduction. Here are some of the latest numbers.

☐ **Population reduction.** (Six months ago) we set a goal of reducing our overall population by 3000 people. We exceeded that goal, ending up at about 3200 people. Currently, we have a program in place to reduce our population world-wide by another 5000 to 6000 people. This program should be completed by the end of December.

☐ **Facilities and space.** To date, we have eliminated 500,000 square feet of space throughout the corporation through consolations. By the end of Q2, we estimate that we will eliminate an additional million square feet for a savings of $US20 million per year. We also have an additional 2.5 million square feet of space we want to vacate by the end of the fiscal year. And we are looking at another million square feet for action this fiscal year.

All together, that will represent significant cost savings for the corporation.

☐ **Travel-related expenses.** Most of the savings here are the normal things that we do when we travel on our own personal time — fly economy, make fewer trips, do bookings two weeks in advance. Already for Q1, the average cost per ticket for international travel has dropped 18%. Current projections indicate a trend that will cut travel expenses by a minimum of 20%.

☐ **Relocation.** It is difficult to believe, but we spend $US200 million a year world-wide on relocation. We need to reduce the number and cost of relocations, but not at the expense of having the people who have to relocate feel uncomfortable about what they are doing. Relocations during Q1 were down 25% over the comparable period a year ago.

☐ **In-house equipment.** This includes everything from the CAD system used by a design engineer to the word processor used by a secretary. Last year we spent $US1.2 billion on this type of equipment. There aren't too many other companies that spend at this level.

There's a lot of opportunity for savings here. I have to be careful when talking about in-house equipment because people need equipment for their jobs, and we don't want to deprive them of equipment they need to become more productive. That would be counter to what we are trying to do.

But everybody tends to want the latest and the greatest whether they need it to get their job done or not. It's a natural human reaction.

Today, $US300 million has been identified as not necessary from a job-performance viewpoint and has already been eliminated from the budget, after review.

☐ **Inventory.** Another way to improve our position from a profit standpoint and a return-on-assets standpoint is to concentrate on our assets.

Over the last several years, we have made significant improvements in inventory, going from two turns to roughly 4.3 turns. That effort has put $US1.4 billion on the balance sheet that we would otherwise have spent on inventory. There are indications that the trend of improvement in inventory turns is continuing.

☐ **Receivables.** Days Sales Outstanding (DSO) is the number of days it takes our customers to pay us — that's money in their pocket instead of money in our pocket. One day of DSO at this point in time is worth $US30 million.

There are many reasons why customers delay paying us. For instance, we make mistakes, the equipment is not quite completed, or the customer doesn't have the accounting systems needed to pay effectively. We have to work all these issues.

The target we set for ourselves as we entered FY91 was to reduce DSO by a minimum of five days, which would represent $US150 million. We now hope to exceed that number. ■

Continued from previous page.

We're no longer looking at the Company as one huge monolith. Business unit managers can now look at their slices of the Company and make decisions necessary to capitalise on the available opportunities and make their slices more profitable.

When you deal with multiple units across the Company, you have considerable flexibility to target opportunities and to differentiate plans according to needs.

It takes time to make changes in a company as large as Digital. We shouldn't expect instantaneous results from this new way of budgeting and managing, but we must instil a sense of intensity and expedience never before experienced in our Company.

The whole Company has to understand that we've changed responsibilities of the business units, geographies and functions. We have to make sure that our measuring systems augment each other and aren't in conflict with each other. That takes time and energy.

Business units will be entrepreneurial — that means certain freedoms, and it also carries with it the obligation to be profitable — to produce the kinds of financial returns that our shareholders expect of us. Business units are responsible for maximising return on their investments. In most businesses, that will come with revenue growth. In others, it'll come from cost containment while holding market share.

In all of these businesses, increased profitability will be the result of pricing our services better so our value-added is reflected.

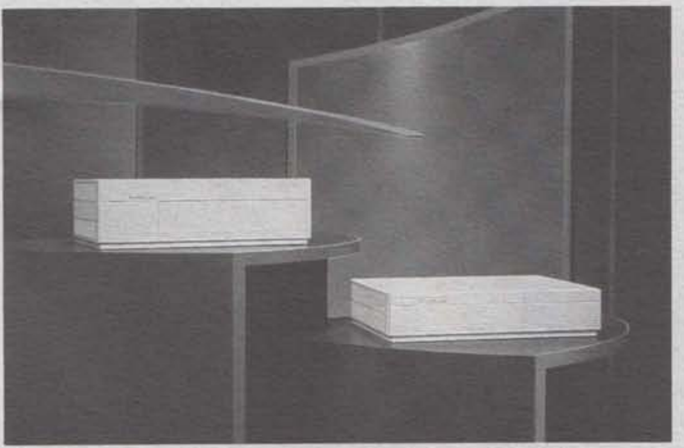
Today, many customers ask Digital to 'spec the functionality' of a system and then put the project out to bid, using our spec. Our technical support people are very expensive. If we don't take the pre-sales service into account when pricing hardware and software, then we're giving that service away.

We have to make sure our pricing is competitive, but at the same time we need to remember the extra responsibilities involved. We have to build those added responsibilities into our pricing algorithms.

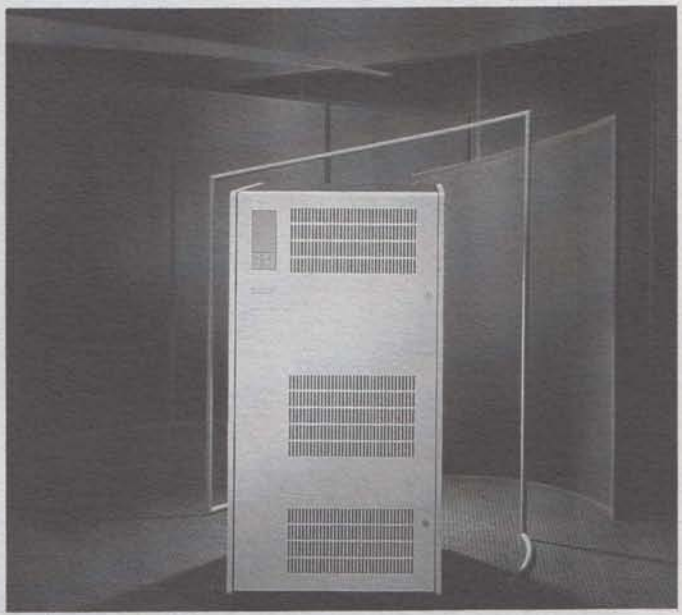
Digital is in a period of adjustment. We need to understand our costs better and price to make sure that major sales of this kind are profitable.

At the same time, Digital is making it easier for the sales force to close sales and satisfy customers by empowering account managers, simplifying terms and conditions and streamlining order processing. ■ ”

> World War II started and ended in three years and some months for the United States. Somehow, I find it hard to believe the folks in charge sat around waiting for the master plan. They got on with it instantly...as they continued to develop the overall strategy. That is exactly what we must do.



MicroVAX 3100: 45% more performance at the same price as before.



THE NEW VAX 6000 Model 560 system.

Plan to Open VMS and Include RISC Technology in Future

Digital has enhanced the VAX VMS line with the two more capabilities users say they most want: openness and better price/performance.

In October, the Company announced increased support for open system standards on the VMS operating system, along with significant performance increases and price enhancements for three new VAX systems.

President Ken Olsen said: "Openness and price/performance enhancements will give users strong incentives to move to VAX VMS, or to add to their current VAX VMS installations."

We also announced intentions to incorporate RISC (Reduced Instruction Set Computing) technology into VAX VMS systems.

Enhancing Openness

Digital will add support to VMS for the Portable Operating System Interface (POSIX) standards of the IEEE. In Q3, we will field test POSIX standards 1003.1, 1003.2 and 1003.4 on VMS systems, and will deliver all three next year.

The Company also intends to apply for certification and branding of VMS by X/Open, the non-profit consortium of major information system suppliers that defines an integrated operating environment based on de facto and international standards. To receive X/Open base system branding, we'll incorporate into VMS standards outlined by the latest version of the X/Open Portability Guide (XPG3).

We also intend to support key standards from OSF's Distributed Computing Environment (DCE) on VMS systems. DCE is a highly integrated set of technologies that address transparent computing in multivendor environments.

Digital already announced VMS support for OSF/Motif, OSF's industry-standard graphical user interface, and currently is shipping it to software developers.

Enhanced Performance, Price/Performance

Three new systems are aimed at a wide range of uses, including distributed production systems applications, client/server computing in office, commercial and technical applications, and software development environments.

☐ **VAX 6000 Model 500** midrange systems triple the I/O throughput, double the memory capacity and deliver 85%-100% faster CPU performance than the previous Model 400 systems — at a price increment of 16%-18%. CPU performance ranges from 13 to 72 VUPS (VAX Units of Performance) in a 6-processor model.

☐ **I/O performance and price/performance gains** across the entire VAX 6000 line were announced. The systems now offer triple the I/O throughput; double the memory capacity (up to 512 Mbytes); and quadruple the disk capacity (now up to 5 terabytes) — all this at prices as much as 30% lower than previous systems. In a 400% increase, the ESE20 disk now supports over 1200 I/O requests per second.

> "Openness and price/performance enhancements will give users strong incentives to move to VAX VMS, or to add to their current VAX VMS installations."
> *Ken Olsen*

All 10,000-plus installed VAX 6000 systems can be upgraded in their original cabinets, in the field, to the CPU, memory and I/O performance of the new systems.

☐ The **VAXstation 3100 Model 76** workstation increases system performance of the largest-selling VAXstation by 100%, directly addressing VAXstation customers' need for higher performance.

☐ The **MicroVAX 3100 Models 10e and 20e** systems replace the MicroVAX 3100 Model 10 and 20 systems. MicroVAX 3100 systems are our highest unit volume, lowest-priced multiuser and server-based VAX systems and the new models offer a 45% increase in CPU performance at the same price.

☐ **The PCLAN/Server 3100e** is a packaged PC LAN server that includes factory-installed PC integration software and provides information and resource-sharing services for up to 70 simultaneous PCs in a LAN or WAN.

The new products are part of our ongoing strategy to incorporate the latest technologies for continual performance and price/performance gains. Digital is phasing in high-performance RISC technology to further accelerate performance: the I/O performance gains in the VAX 6000 line are made possible by RISC I/O technology, just as we used RISC I/O technology in VAX 4000 and 9000 systems.

Digital announced intentions to phase in RISC CPU technology beginning in "two to three years". And — you guessed it — VAX VMS systems based on RISC will be compatible with today's VAX VMS systems. ■

Digital's History: the Sixties

Our new Rhodes Headquarters embodies Digital's entry into a new era. Lest we forget the old one, here we present the first in a three-part series about Digital's earliest years in SPR.

The year was 1964.

- The Beatles toured Australia.
- A national telex service was established in New Zealand.
- At Sydney's Mona Vale Beach, the first topless sun-bather caused a stir.
- The destroyer *Voyager* collided with the aircraft carrier *Melbourne* with the loss of 82 lives.
- The *Australian* became Australia's first national newspaper.
- Conscription was introduced in Australia.
- Polo Prince won the Melbourne Cup.
- and Digital Equipment Corporation opened for business in Sydney — born in the same year as 50 people who today are its employees.

Prior to this auspicious year, Digital's operations in the South Pacific were handled by a Melbourne-based distributor, JJ Masur, but in January 1964 Digital's co-founder and VP, Harlan Anderson, hired Digital's first employee in Australia: Robin Frith, a digital logic design engineer at Melbourne's Meteorological Bureau.

As soon as he became a Digit (badge number 898, making him the only SPR employee *ever* to be known by three digits), Robin left immediately for training in the US. "I had a girlfriend at the time, so I had to make a decision. I decided to get married," says Robin.

"I sent a cable, or telex or whatever it was at the time, and said I wanted to get married first. I wasn't asking for permission...I was really asking them to contribute towards her fare.

"They had no objections to our getting married, but I had to pay the fare. It didn't quite work."

Do-It-Yourself Customers

With the departure of Robin Frith and his new wife, Digital in the South Pacific existed in name only for about a month. Then, in February 1964, Ron Smart was hired as the first General Manager. The Company's office became an upper-North Shore, Sydney equivalent of a Silicon Valley garage: Ron Smart's Turramurra home. A local call box served as the telephone, and overseas calls to Maynard were made using lots of sixpences!

Digital's 'first' SPR sale was an Analogue-to-Digital Converter sold to the University of Queensland. The initial contact had been made by JJ Masur, but Ron Smart delivered the product — a service not uncommon in the early days.

By the end of 1964, Digital Equipment Corporation boasted a world-wide employee population of 400.

Ron was an engineer from the Utecom computer laboratory at the University of New South Wales. During his early days at Utecom, Ron had met a Fulbright Scholar from America named Gordon Bell, who later returned to join Digital in the US as Digital's second computer engineer and architect of the early PDP and, later still, VAX systems. It was through this association with Gordon Bell that Ron was to first come to the attention of Digital's US management.

An engineer who had also worked at both Univac and International Computers and Tabulators (now ICL), Ron Smart's appointment in part reflected Digital's technical heritage and the nature of its customers in Australia and New Zealand for much of the 1960s: universities, and government and commercial research laboratories.

These customers were computer and technically literate and, in those days, Digital's systems were not packaged...the customer put them together! Max Burnet, SPR's second longest-serving employee and Company historian, remembers the customers well:

"The computers required maintenance, not because they failed but because customers fiddled with them," he says. "We were selling to scientists and engineers, and the machines were all going into factories and laboratories. As soon as the guy got it he would open it and plug in his peripherals, or plug in his psychology experiment, or whatever.

"The gear was good, but because the customers were messing with it, they would blow it up, plug something in backwards, jam the door on the cable or slop coffee all over it," he says.

"We had do-it-yourself customers who, in fairness, would generally fix their systems, often before I arrived. Or, they would ring up and say 'Max, this is the problem, bring this module'."

"Black Magic"

It was the age of the big computer (although Digital would eventually make its mark with minicomputers). Computers were seen only in universities and laboratories, and served by a priesthood garbed in white coats. A small computer, a PC, was beyond the comprehension of all but a few visionaries.

Computers were not only quite alien to the general public, but even business regarded them with awe, or perhaps it was distrust.

"I guess they always thought the computer was like black magic," recalls Albert Cuschieri, our longest-serving employee in SPR.

"At least that's the way it was in newspapers. They often put it on the top floor where the chief executives of the company were. They locked it into a room that looked like it may have been a cloakroom once, a small room where nobody could see it. Nobody was allowed in. It was cloak and dagger stuff."

Hand-Built Computers

Digital's first true SPR sale, a time-sharing PDP-6, was to the University of Western Australia in December 1964. The University also provided Digital with an 'office' on site.

Robin Frith, who had returned from the US to succeed Ron Smart as General Manager, delivered the computer — one which, as fate would have it, he had actually helped build during his year's overseas training with Digital.

"It was hand-built. We had a machine that automatically soldered the boards, but you really had to tune each board and hand-wire the system using a wire wrap gun.

"The PDP-6 cost about $A350,000, had 16K of memory and went up to 256K," Robin recalls. "It was a 'mainframe' machine."

The third of Digital's computer systems ever sold in SPR was a PDP-7 machine to the Australian Atomic Energy Commission at Sydney's Lucas Heights, in January 1966. That system had 4K of memory, cost $A45,000 and ran for 14 years.

The first minicomputer was also sold in 1966, a PDP-5 — with attached ASR-33 Teletype and fanfold paper tape — for the BHP Research Laboratories in Newcastle, NSW. Early sales in New Zealand, the first being a PDP-8 to the Department of Science & Industrial Research (DSIR) in July 1966, were made by Robin and Alan Williamson, who was first employed in 1965 as a PDP-6 maintenance engineer in Perth, 6000 kms away.

In August 1966, Albert Cuschieri joined Digital in Sydney as our first Field Service Engineer — but there was far too much to do for his job to be so structured. "At the time, Robin Frith used to sell the equipment, install it when it arrived and collect the money, from the point of view of asking the customer had he paid the bills. I'm not sure if Robin used to write the invoice as well! There was too much to do for one person."

That included selling in New Zealand, where an office was not established until 1970.

First Commercial Sales

Within 18 months, Albert was selling computers, concentrating on Typeset-8s for the newspaper industry — an area where Digital almost totally displaced IBM.

"The first commercial sites were the newspapers," says Max Burnet. "That was a pretty deadly environment. The paper had to come out at midnight, so the computer had better not fail." The operating system software was free, but the application software for the newspapers and training had to be paid for. Albert picks up the story:

ROBIN FRITH today.

MAX BURNET in 1967.

"It wasn't just selling a system — it was implementing a facility. You sold the system to the general manager, then you sold it to the production manager, and then you had to make sure the users were keen on it. When the system came, you had to try the application and train the users, spending a couple of weeks with them.

"When you finished, (the customer) didn't applaud, but it was a happy event when the system was up and running, and they switched over to using a computer as against the keyboard of a Linotype," Albert recalls.

> **The third system ever sold was a PDP-7 to the Australian Atomic Energy Commission in 1966. It had 4K-memory, cost $A45,000 and ran for 14 years.**

"Linotype operators were relatively skilled people. All of a sudden these people had to lose all this skill and just sit in front of the keyboard and hit the characters, and let the computer do the hyphenation and the justification and everything else. People obviously lost other skills. Chances were most of them were going to get less wages, and as time went by ordinary typists would take their jobs, which they did.

"So, it was satisfying that despite the calamity of it all many Linotype operators were actually pleased to see this happening. They thought it was a part of new technology which really was making things better, even though they were losing their skill. There were always some Linotype operators who could not accept the change. The majority were keen to be part of a new era."

PDP-8 — an Industry Leader

The Typeset-8 sold in those early days by Albert was a version of the PDP-8, Digital's original minicomputer, introduced in 1965. The first PDP-8 in Australia went to Melbourne University's Physiology Department in April 1966. Another PDP-8, sold to Queensland Newspapers, ran continuously for 12 years — until no-one was left who knew how to turn it off.

Although no single machine made Digital, the PDP-8 occupies a special place in the Digital pantheon. "It was the first time-sharing computer that people could afford," says Albert Cuschieri. "There were time-sharing computers before the PDP-8, but they were monstrous things. The PDP-8 was small and low cost. It was a leader in the market place. We captured a lot of customers with the PDP-8, and it continued with the PDP-11."

Max Burnet joined Digital in 1967, hired away from Adelaide's Weapons Research Establishment where he had been helping to design electronic equipment for the Royal ustralian Navy. "I saw an advertisement in an electronics magazine for Digital's programmable logic modules and sent off for the catalogue. It was amazing — here was this little company which could replace the hand-built electronics I was working on with a programmable device," he says.

"Then I saw a job ad for the company and thought, 'Well, if I can't have one of their boxes, I'll join the company', and I did," he says. "I saw the product as interesting, innovative and new. But I had no conception at all that it would grow like it did."

Interviewed and hired by Robin in Melbourne, Max started that city's office (MEO) — one that soon caught up with Digital's tradition of running out of office space. He also sold the first machines to Monash and LaTrobe Universities, both of which were under construction at the time. Eight years later, Max became General Manager.

ALBERT CUSCHIERI in 1966.

Also in 1967, the Brisbane office (BBO) was established with the sale of a PDP-10 to the University of Queensland, while the Perth office (WPO) moved from the University to Outram Street premises in 1968 and then, in 1969, to a larger residence still in Titanium House, Murray Street.

In 1968, the sale of a PDP-10 with turnkey software to the Melbourne Stock Exchange foreshadowed Digital's move into commercial markets other than newspapers, and coincided with a change in the structure of the Company, which numbered about 30 people by mid-1969.

The days of the one-man band were coming to an end. Different disciplines were being managed by different people — sales, administration, field service and so forth. The infrastructure of a growing company was being developed.

What's more, the phenomenally successful PDP-11 and the new decade awaited. ■

Next month: Digital SPR in the Seventies.

A FREE PC puts a smile on the face of DSIR scientist Harvey Watts, seen here with DSIR Account Manager, WEO's Sharon Osten. The PC was given away as part of a DECdirect promotion to launch a 0800 free-phone ordering service. NZ's DECdirect team was established in April this year and is led by Jeff Wood.

* * *

Good Sales Account Managers keep on keepin' on, and so it with Australia's "Keep Ahead" award winners for FY90, announced last month — Account Managers who achieved the highest performance against budget for the quarter.

This time around they were Systems' Vince Cecere (NSW), CS's Don McFayden (SA/NT), Professional Software Services' Albert Cuschieri (NSW), Edu Services' John Beeston (Fed/Canberra) and Specialist Salesforce's Evan Williams (Fed/Canberra). Congratulations all!

REMEMBER CRAIG SHERGOLD, the cancer boy who we told you in the Oct/Nov 1989 issue was struggling to enter the Guiness Book of Records *for the most get well cards?*

Former Temporary Digit Carol Nunn, who many may remember from her days in Purchasing, has sent us this English press clipping. It proves beyond doubt that Craig's dilemma wasn't a sham, and happily shows that Craig's recovering very well, thank you.

Yes, Craig made the Book *— with 21 million cards from, among other places, SPR.*

September 18 will never again be the same for Sales' Jennifer Milford and one-time Digit Russell ("Mr Milford") Holmes. The reason: bouncing bubs Ryan Frederick Lawrence, who after nine months of careful calculations and deliberations chose that date to debut. Congratulations to the whole family!

* * *

Overheard at an SNO birthday cake & get-together recently was the quip that the years had been good to the birthday boy — but the weekends had really taken their toll!

* * *

"Imagination rules the world." — *Napoleon Bonaparte.*

* * *

Overheard at MEO Sales: "I owe a lot to my parents, especially my mother and father."

* * *

Believe it, or not! From VOGON, our VTX news service, comes the classic line: *%RMS-E-OK RNF, nonexistent record successfully accessed.*

According to VOGON, it's a fair dinkum VMS error message and was sent in by Canadian Digit Gerry Gannon from our Ottawa (OTO) office.

THOUGHT FOR THE DAY:

A winner always has a plan; a loser always has an excuse.

A winner looks for answers in every problem; a loser sees problems in every answer.

A winner says it might be difficult but it's possible; a loser says it might be possible but it's too difficult.

* * *

Move over, Oscars! A video about DECWORLD'90 in Canberra has been produced and is available from any Sales Unit Manager, or direct from Corp Comms @ SNO2-3.

* * *

Remember that if you've got any idea that could simplify a work practice, improve our ability to deliver to the customer, or which simply makes good business sense, please send it to Frank Wroe at COSTSAVERS on ALL-IN-1.

EIS Achievers

NSW's EIS Person of the Month award for July went to Gary Jacobs, NSW Projects and Consulting group. Gary had a pivotal role in the design of the Approvals, Licences and Notices System (ALNS) application project that formed part of a complete solution to the State Pollution Control Commission. Demonstrating that ALL-IN-1 is a lot more than an office automation product, the ALNS project uses ALL-IN-1 as the application development platform.

August was DECWORLD'90 month in SPR, so it's appropriate that the NSW EIS Person of the Month for August was one of the biggest contributors to DECWORLD from NSW: congratulations to Nicole Smith, Segment Captain for the End-User solutions section of DECWORLD. Being Segment Captain meant many late nights both in the lead-up to DECWORLD and through the show itself. The good oil is that the success of the End-User section was a credit to Nicole and her team.

...And for September

The NSW EIS Person of the Month for September was Rocky Radhakrishnan from EIS's Short-term Consulting Unit.

Rocky pioneered the delivery of the Capacity Planning services in SPR, and in addition to providing a valuable consulting service for Digital, has assisted Digital's customers in justifying the growth of their systems.

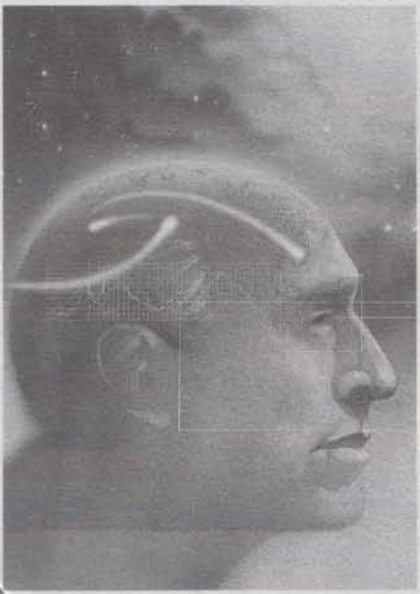
A recent win was a $A2-million order from NSW's Department of Housing, the selling cycle of which was considerably shortened by the customer having a realistic expectation of what their capacity requirements entailed. DOH remarked that "the report generated from the Capacity Planning exercise was of a first-class standard, and provided all the data needed to support (the) systems upgrade proposal."

Congratulations — times three — to our latest EIS achievers. ■

NICOLE SMITH.

DECservice Beyond DECgalaxy

No doubt inspired by the success of DECWORLD'90 in Canberra last August, SNS-based CS Engineer Daniel Jeyachandran puts on his writing hat, delves into the realm of science fiction and comes up with this portrait of Digital's business as we *might* know it, sometime in the future.



"Good morning, sir. Digital Customer Response Centre Living-Systems Computer. Can I help you?"

"We have an emergency at the Perth Bio-Molecular Computer. My parallel processor number 1095 is in a state of coma. Unable to recover. Send Paramedic through 1500 Terabyte/sec channel via transponder 2219."

"CPU type and serial number please."

"Model BM9900-8800. Serial number: Factorial 8956-895."

"Password, please."

"Beautiful monster 895."

"Sorry sir, your 'Call Window' has already expired. Are you agreeable to pay per—call charges at $12,000 per second with a minimum charge of one 10 seconds?"

"Yes. Please hurry!"

"Purchase order number please."

"OK, ok! Hang on... PBMC98735."

"Service access permitted. Please rush sample for culture and isolation. Shall instruct my R2D2 cells to isolate the problem. Transporting Paramedic by the next available quantum."*

After a brief interval, a Digital CS Paramedic reports to the Perth Bio-Molecular Computer Nerve Centre Manager with the final diagnosis.

"Fifty billion neurons infected by inter-galactic virus, causing coma of your CPU, have been isolated and quarantined. Shall I order spares under priority, sir? The neurons are chargeable."

"But the CPU is still under 100-year warranty!"

"Sorry, sir. Warranty does not cover acts of God or those of virus unless you are covered by DEC Protect. Please note that if we don't act quickly, your 100-trillion dollar CPU will probably never recover from coma."

"Please, order right away! By the way, is this going to be a permanent fix, or do I have to pay for it every time it happens?"

"I suggest you take a DEC Protect cover, sir. Otherwise I'm afraid every such call will be chargeable. This fix is just to resuscitate your CPU out of coma, but we have also escalated the problem to inter-galactic outage. Our inter-galactic Flying Squad and the CS Living-Systems Engineering will work on the sample. Once they identify a fix, they'll issue a mutant Field Change Order to the affected category of neurons. Future releases will automatically incorporate the change."

"OK. Where are you getting the spares from?"

"They will have to come from the virus-free Andromeda Galaxy stockroom, sir. That is the only galaxy untouched by human technology and provides the best environment for our Surrogate Computers to produce every conceivable living cell in the universe."

"What? That's two million light-years away!"

"That's correct, sir. Didn't you know that Digital Logistics has been using priority courier service with guaranteed delivery time of one millisecond across galaxies?"

"That's fascinating news! Thanks a million."

"You are welcome sir. Would you like me to send you the details of DEC Protect to insure all your Live-ware? Under our Digital Detectives program, we are obliged to help our customers."

"Oh, yes — thanks for reminding me, I'll certainly take it. Is the Digital Detectives Program responsible for making Digital the Number One Solution Provider in the Galaxy?"

"I am not sure, sir. It could be just Digital's old-fashioned commitment to the customer."

"And is Frank Wroe still your Solar Subsidiary Manager? I'll have to send him a Plasma-Quantum Mail about your excellent service."

"Thank you, sir. Hope to see you at DECgalaxy on Mars." ■

Remote Recovery and Diagnosis Director.

Digital Detectives Help Track Down Sales

There's no escaping the fact that the Digital Detective program, specially designed to reward and recognise our CS field staff for generating hardware, software and service leads from our existing customer base, has been a run-away success.

Since June, enquiring Engineers have worked with Telemarketing and Sales to secure nearly $A2 million-worth of incremental revenue.

CS Engineers — because they're at the front line with customers — play an integral role in the Sales Account Manager's selling strategy and all opportunities uncovered by Digital Detectives are forwarded to the Account Manager. All leads are followed up by Sales and the Telemarketing Co-ordinators, Lauretta Goodwin and Kym Simons. Where possible, Lauretta and Kym qualify and close the opportunity over the phone.

Registered Detectives receive a monthly bulletin, and are provided with attractive incentives and rewards.

There's a growing commitment by the Engineers to sales strategies, and such a commitment is proven by a leading Detective: SNS's Paul Chapman. Paul's contributed to more than $A700,000-worth of business since June 1990.

Continued next page.

OUR TELEMARKETING TEAM (left to right): Kym Simons, Donna Turner, Lauretta Goodwin and Laura Starrat.

Digital Detectives

Peter Palethorpe, one of the Westpac group sales team and Account Manager for Westpac Endeavour House Computer Centre and Reserve Bank of Australia, says Paul is always on the look out for places where Digital's products will fit. "The IS departments really appreciate his interest in their operations," Peter says.

"Just as importantly, Paul is always careful to work closely with the Sales team so that the customer gets a consistent message from Digital at all times. As a result, his efforts have helped me secure more than $A686,300 in sales!"

Lauretta and Kym are also quick to congratulate Paul on the high quality of leads he's submitted to the Digital Detective program. "The feedback we've received from Sales is that they hold Paul in high esteem. They feel that his dealings with each of their customers is compliant with their sales strategy.

"It's great the way Paul follows his leads through to the end. That makes our job easier and enables him to receive his bonus cheques promptly."

A brief investigation into the Detective program uncovered a host of notable sleuths, chief among them UWO's Raymond Hooper, SNO's Simon Drinkwater, RWO's Peter Stoddart, NLO's Mick Mulvaney and Peter Hutchison, and George Conditsis from SNE. ■

CS'S PAUL CHAPMAN (above) and (below) Sales' Peter Palethorpe.

Wouldn't It Be Wonderful?

...if we had tickets to Wonderland?

Well, the Sydney Social Club has! The Club has purchased a quantity of "Good Any Day" tickets to Australia's Wonderland, Sydney, at a much-reduced price. They can be used by either adults or children and are valid from December 1, 1990 to February 24, 1991.

With the summer holiday season fast approaching, availability of discounted tickets to one of Sydney's largest attractions spells an opportunity too good to miss. ■

AUSTRALIA'S
WONDERLAND™
SYDNEY

Balmain Banquet for Social Club Members

DIGITS DINE OUT (left to right): Noelene Woo's hubby Kieran, Lorraine and Peter Ives, Gordon Couser, Megan McLaren, and Jane and Simon Drinkwater. Missing from picture is photographer Noelene Woo.

Over sixty Digits ate, drank and were merry at The Manor House, one of Sydney's premier restaurants, in September.

The culinary occasion was a product of the Sydney Social Club, with Committee member Kay Paterson a key ingredient in the evening's success.

Other ingredients could be found on the Balmain establishment's palate-tickling menu that included breast of quail seared in walnut oil, Camembert cheese rolled in breadcrumbs and deep fried, and flattened medallions of baby veal fillets rolled in bug meat —followed by blueberry pancakes and profiteroles for dessert. That's not to forget delicious liqueur chocolates that were served under a whispering cloud of dry ice.

All this at the incredible subsidised price of $A15 per head made for definite value-for-money dining!

Next issue we'll have pics from the Sydney Social Club's Oktoberfest dinner at the Lowenbrau Keller Restaurant at the Rocks, Sydney. Auf wiedersehen! ■

CALLING ALL SOCIAL CLUBS!

You're invited to send *Digitalk* news of your happenings so we can share it with the rest of Digital's world...but — we can't print it if you don't send it! ■

Richard Posts a Winner

That's what they say...

I would like to personally thank you for sending Richard Speedy to Melbourne last weekend to work on our headquarters' system.

As you know, he did a complete rebuild of Message Router across our entire network. This involved Richard working 55 hours in the four days he was with us, usually at very intense levels. His knowledge of the VAX environment, particularly Message Router and ALL-IN-1, was very impressive. His telephone support and advice is also very helpful.

Richard's professionalism and dedication to his job are a credit to both he and Digital.

GA Barber
Information Technology Services
Australia Post

Addressed to STL Support Manager Faye Fitzpatrick and forwarded to Digitalk *by National Account Manager Paul Riley. Richard is a CS SPS Specialist.*

Rocky and DECcp: a Knockout Combination

It is apparent from the statistics that you have supplied that the VAX 4000 upgrade promises the improvements we are seeking in all the areas that are now causing problems.

DECcp has also allowed us to professionally analyse our cluster to determine what bottlenecks exist, if any, the intensity of those bottlenecks, and how to better make use of the resources that we have. The ability to model our operations on alternate hardware has been very highly regarded at both management and Board level.

I would like to take this opportunity to thank Digital for the use of DECcp and in particular Rocky Radhakrishnan for his assistance in its installation and prompt attention in converting the base data of our cluster into meaningful performance information.

W Banks
Bruck Textiles

Addressed to SNO's Geoff Robinson. Rajgopalan "Rocky" Radhakrishnan is a SWS Specialist with the EIS organisation (see story on page 12). *DECcp is a capacity planning service that has proved extremely effective.*

David Saves

We wish to formally advise that we will continue with our maintenance contract with Digital. We had come very close to terminating the contract, primarily due to the fact that we could not get (a Fujitsu tape drive) under the one contract, and price differences.

Our main reason for staying with Digital is because of the excellent service given by our engineer, David Reinhold, and the decision to maintain the tape drive.

In respect to the service, David has gone out of his way to try and solve problems. We would like to thank you and your staff for your help, and would ask that you pass my appreciation onto David Reinhold's supervisor.

Robin J Garret
Systems Administrator (Australia)
The Church of Jesus Christ of Latter-Day Saints

Addressed to CS Account Manager Larry Halliday. David is an SNE-based CS Engineer.

David Feeney: 15 Years of 'Legendary Service'

Newcastle (NLO) CS Unit Manager David Feeney *(pictured)* began with Digital in 1975, when the Region's employee population was 155, revenues totalled $A10 million, and our head office was located in Willoughby Road, Crows Nest.

Upon joining, Dave found himself in a small office just around the corner from the HQ, together with another 12 Engineers. The baker's dozen serviced all of Digital's customers in Sydney and New South Wales — area the size of the American states Texas and Ohio, combined.

David isn't the only Digit who remembers that tiny Field Service office. Others there at the time include Ray Stone (BBO CS Engineer), Kevin James (CS Product Manager, SNO), Chris Green (STL Support Integrated Services Consultant) and Alan Turnbull (SNO-based CS Manager).

"Towards the end of 1977, I relocated to Newcastle, joining Glenn Lawson (now SNO-based Sales Representative) in the 'new' office there," Dave recalls.

Changes a'Plenty

In 1982, Dave was promoted to NLO Field Service Unit Manager, a position he still occupies — "although there's been a subtle name change to Customer Services Unit Manager."

During his time, David has witnessed a great many changes in the type of customer we do business with, and in the way we do business. "Some of those changes were forced on us by market forces. Others were a result of plans formulated to meet future business goals.

"Quite obviously, the planned changes caused the least pain in the long term, but an important factor was our ability to accept the need for change and then effectively manage it."

David says the Company has retained much of the friendly, small-company atmosphere even it has grown into a large company. "It's especially evident in smaller facilities like Newcastle, where Sales, Sales Support and CS are represented under the one roof," he says.

"This 'One Digital image', I believe, has helped Newcastle in the customer surveys," referring to NLO Branch's excellent record that includes DECservice awards in 1985, 1986 and 1988, and the very prestigious Service Excellence award in 1983.

Currently, David's Unit services the NSW Central and North Coasts, Newcastle and Hunter Valley, and all of the Tamworth and New England areas. He has three sons and a daughter, and his social interests are sailing and fun running.

The high level of service given to customer and Company alike by David over a decade and half goes without saying, but the last word here belongs to another Digit who was there in 1975 when Dave joined Digital: Graeme Shorter, now Regional CS Manager.

"Ever since Newcastle was a one-man office, it has had a unique, friendly feel about it. I think David has typified that," Graeme says.

"David is also right about the changes he's seen in his time with us, and I'm sure they'll continue. Even faster."

Customer Services has a timeless vision, explains Graeme, that we'll be renowned for "legendary service," and that our customers will brag about Digital because we go the "extra mile".

"David's 15 years have been a significant help toward that vision." ■

Inside

2 Inside SI
Regional EIS Manager Rustom Kanga defines "Systems Integration" — and explains how we're getting on with the job.

5 Circle of Excellence
SPR's top achievers from Sales, Customer Service and EIS are feted in Hawaii.

6 View from the Top
Senior VP, Operations, Jack Smith, talks plainly about the hurdles we face and how we'll clear them.

10 Sixties Mania
First in our three-part look at the way we were.

13 CS's Selling Sleuths
Digital Detectives are hot on the trail of sales.

digital

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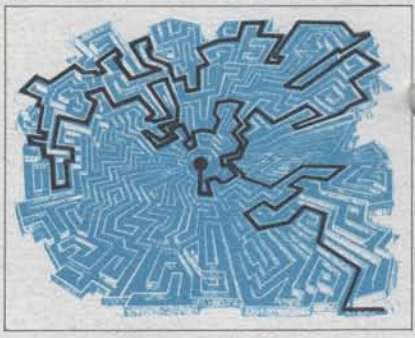
Contributors' Schedule:
February issue — January 7, 1991
March issue — February 11

Over, Under, Down to Win

This month it's four mazes in one to win dinner for two!

Our rules are simple even if the puzzle isn't: (1) find the paths that connect the mismatched symbols *(see inset),* black to white. Weave under and over, but do not cross a line; (2) photostat or clip your entry; (3) and send it to *Digitalk,* SNO 2-3/F3, by January 7.

What happens next is that it could be your "turn" to dine on *Digitalk* to the value of $A100.



AUG/SEP's solution.

Leon is Dinner-bound

STL-based CS Specialist Leon Strauss wound up with dinner on *Digitalk* after negotiating our Aug/Sep issue's amazing maze, and then being the first correct entry to be selected from those received. Thanks to everyone who braved vertigo to enter, and "Well done!" Leon. ■

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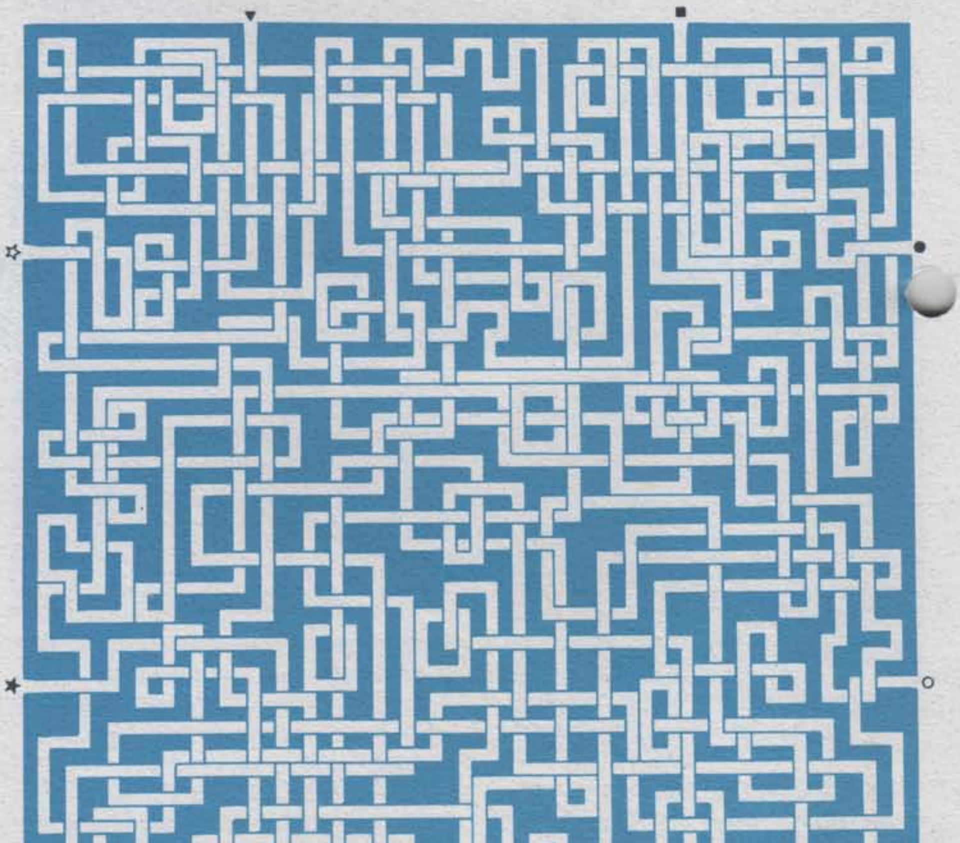

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MAX BURNET
CORPORATE RELATIONS MANAGER
SNO 1-2/C5